

AMENDED IN ASSEMBLY MAY 3, 2005

AMENDED IN ASSEMBLY APRIL 21, 2005

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

ASSEMBLY BILL

No. 1430

Introduced by Assembly Member Goldberg
(Coauthor: Assembly Member Yee)

February 22, 2005

An act to amend Section 39607.5 of the Health and Safety Code, relating to air resources.

LEGISLATIVE COUNSEL'S DIGEST

AB 1430, as amended, Goldberg. Air Contaminants.

Existing law requires the State Air Resources Board to develop and adopt, at a public hearing, a methodology for use by air pollution control districts and air quality management districts to calculate the value of credits issued for emission reductions from stationary, mobile, indirect, and areawide sources, including those issued under market-based incentive programs, when those credits are used interchangeably, with certain requirements.

~~This bill would prohibit this methodology from permitting credits to be used to perpetuate human exposure to air contaminants in communities within a district, or elevated risks associated with air contaminants, including, but not limited to, airborne toxics and particulate matter in low-income communities and communities with a significant minority population.~~

~~The~~

~~This bill would require this methodology to prohibit the trading of mobile source emissions for stationary source emissions, within or between air districts, until all stationary sources have first installed~~

best available retrofit technology, best achievable control technology, or lowest achievable emissions reduction.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 39607.5 of the Health and Safety Code
2 is amended to read:

3 39607.5. (a) The state board shall develop, and adopt in a
4 public hearing, a methodology for use by districts to calculate the
5 value of credits issued for emission reductions from stationary,
6 mobile, indirect, and areawide sources, including those issued
7 under market-based incentive programs, when those credits are
8 used interchangeably.

9 (b) In developing the methodology, the state board shall do all
10 of the following:

11 (1) Ensure that the methodology results in the maintenance
12 and improvement of air quality consistent with this division.

13 (2) Allow those credits to be used in a market-based incentive
14 program adopted pursuant to Section 39616 that requires annual
15 reductions in emissions through declining annual allocations, and
16 allow the use of all of those credits, including those from a
17 market-based incentive program, to meet other stationary or
18 mobile source requirements that do not expressly prohibit that
19 use.

20 (3) Ensure that the methodology does not do any of the
21 following:

22 (A) Result in the crediting of air emissions that already have
23 been identified as emission reductions necessary to achieve state
24 and federal ambient air quality standards.

25 (B) Provide for an additional discount of credits solely as a
26 result of emission reduction credits trading if a district already
27 has discounted the credit as part of its process of identifying and
28 granting those credits to sources.

29 (C) Otherwise provide for double-counting emission
30 reductions.

31 ~~(D) Permit credits to be used to perpetuate human exposure to~~
32 ~~air contaminants in communities within a district, or elevated~~
33 ~~risks associated with air contaminants, including, but not limited~~

1 ~~to, airborne toxics and particulate matter in low-income~~
2 ~~communities and communities with a significant minority~~
3 ~~population.~~

4 (4) Consult with, and consider the suggestions of, the public
5 and all interested parties, including, but not limited to, the
6 California Air Pollution Control Officers Association and all
7 affected regulated entities.

8 (5) Ensure that any credits, whether they are derived from
9 stationary, mobile, indirect, or areawide sources, shall be
10 permanent, enforceable, quantifiable, and surplus.

11 (6) Ensure that any credits derived from a market-based
12 incentive program adopted pursuant to Section 39616 are
13 permanent, enforceable, quantifiable, and are in addition to any
14 required controls, unless those credits otherwise comply with
15 paragraph (2).

16 (7) Consider all of the following factors:

17 (A) How long credits should be valid.

18 (B) Whether, and which, banking opportunities may exist for
19 credits.

20 (C) How to provide flexibility to sources seeking to use credits
21 so that they remain interchangeable and negotiable until used.

22 (D) How to ensure a viable trading process for sources
23 wishing to trade credits consistent with this section.

24 (E) How to ensure that, if credits may be used within and
25 between adjacent districts or air basins where sources are in
26 proximity to one another, the use occurs while maintaining and
27 improving air quality in both districts or air basins.

28 (8) Prohibit the trading of mobile source emissions for
29 stationary source emissions:

30 (A) Within an air district, until all stationary sources have
31 installed best available retrofit technology, best achievable
32 control technology, or lowest achievable emissions reduction, as
33 appropriate, in that air district.

34 (B) Between air districts, until all stationary sources have
35 installed best available retrofit technology, best achievable
36 control technology, or lowest achievable emissions reduction, as
37 appropriate, in each air district.

38 (c) If necessary, the state board shall periodically update the
39 methodology as it applies to future transactions.

1 (d) The state board shall periodically review each district's
2 emission reduction and credit trading programs to ensure that the
3 programs comply with the methodology developed pursuant to
4 this section.

5 (e) The state board shall post on its Web site, at a minimum by
6 January 1 each year, actions taken by the state board to
7 implement this section.